**PIPER**

*The statistical data are extracted from Pensions & Investments' Performance Evaluation Report, a quarterly performance evaluation published by* Pensions & Investment Age. *PIPER details comparative performance data on equity and fixed-income funds at more than 200 banks and insurance companies. PIPER is compiled by Rogers, Casey & Barksdale Inc., Stamford, Conn.*

# Intermediate-term bonds boost funds

By Chuck Paustian

Commingled fixed-income funds with intermediate average maturities greatly improved their rankings in the most recent Pensions & Investments' Performance Evaluation Report.

The $80 million bond fund run by Bankers Life Co., Des Moines, Iowa, leaped into the top spot for the quarter ended Sept. 30 with a return of 4.6%. The fund was in the second decile in the PIPER rankings for the quarter ended June 30.

David A. Seevers, senior security analyst and portfolio manager at Bankers Life, said the fund's seven-year average maturity was responsible for the improved performance.

"The interest rate environment that existed in the third quarter, where rates were kind of flat, is the type of environment where I'd expect us to look the best," said Mr. Seevers.

The fund invests in high-yield, investment-grade private placements and commercial mortgages. However, Mr. Seevers said the fund does not invest in "junk" bonds.

"There are a lot of funds out there that call themselves junk bond funds," Mr. Seevers said. "They're taking a lot of risk but they feel the risk premium is worth the higher risk.

"They get the high yield because they're considered risky. We get the high yield because they're private placements."

The median fund in the PIPER universe outperformed the benchmark index for the quarter ended Sept. 30. The median fund returned 2.1%, compared with the Shearson Lehman Government/Corporate bond index's 2%. However, for the other periods measured, the median fund failed to top the market index.

Despite a dip in performance for the quarter, United Bank of Denver's bond fund moved into the top spot for the one-year period ended Sept. 30 with a return of 29.3%. The median fund in the universe returned 19.6% for the 12 months, while the Shearson Lehman index returned 21.2%.

(For the most recent quarter, United Bank of Denver was ranked 47th, with a return of 2.5%, after ranking second, with a return of 13.3%, for the quarter ended June 30.)

United Bank of Denver executives declined to comment on the fund's structure or investment strategy.

First Variable Life Insurance Co., Little Rock, Ark., and Trust Services of America, Los Angeles, tied for the No. 1 spot for the three years ended Sept. 30, with compound annualized returns of 18.4%. The funds had been ranked sixth and third, respectively, for the same period in the previous quarter's report.

*Continued on page 34*

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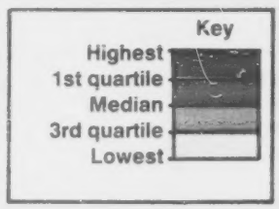
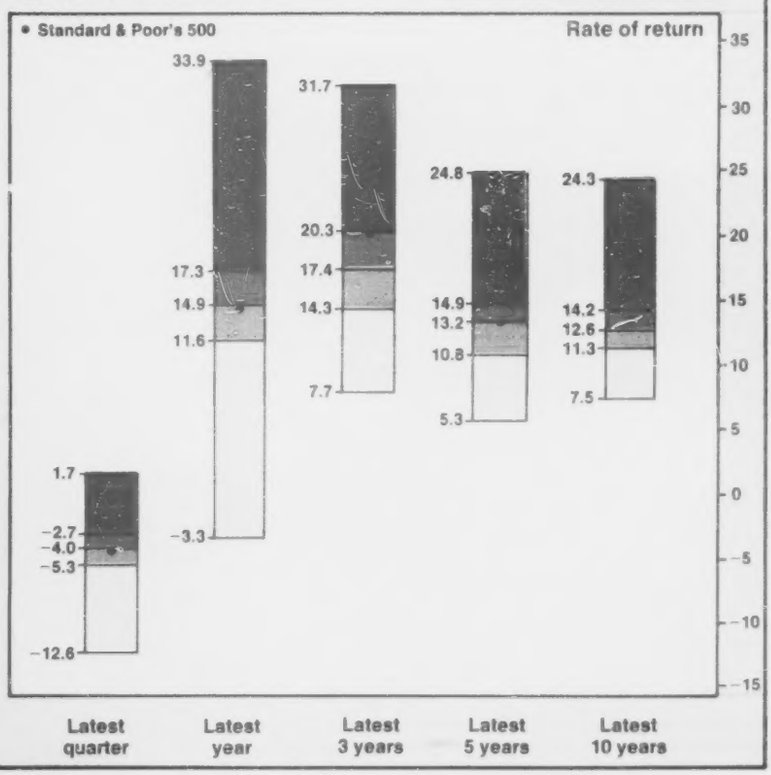
| Top equity funds by size | 30 |
| Top quartile bond funds | 32 |
| Top bond funds by size | 32 |
| Real estate funds | 60/62 |


**Pooled equity funds of banks and insurance companies.**

**All periods ending September 30, 1985, and all figures, except latest quarter, are annualized total returns.**

**PIPER report compiled by Rogers, Casey & Barksdale Inc.**

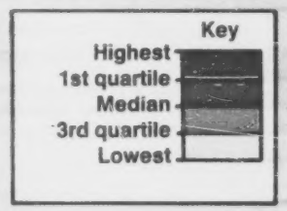


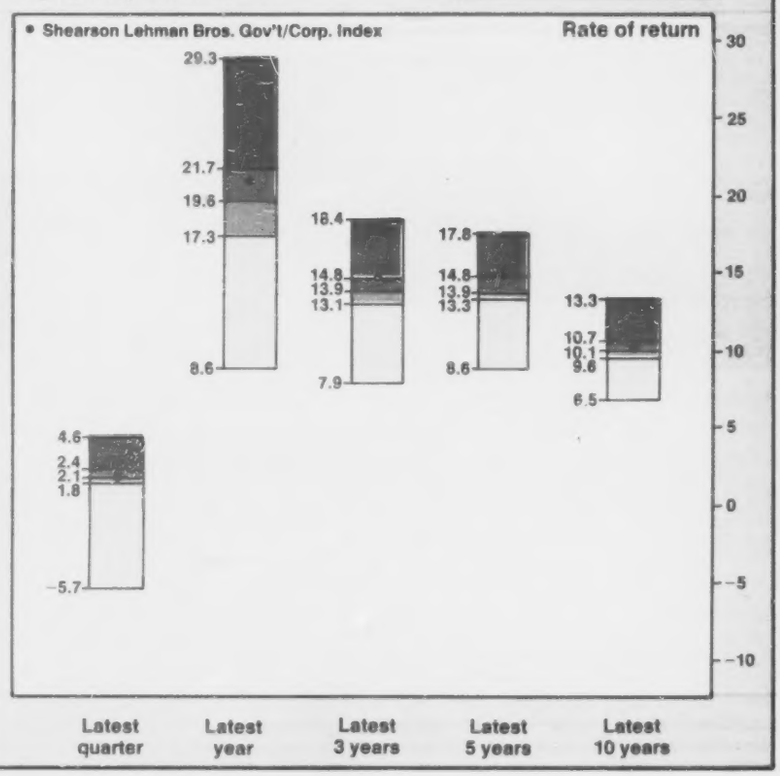




**Pooled fixed-income funds of banks and insurance companies.**

**All periods ending September 30, 1985, and all figures, except latest quarter, are annualized total returns.**

**PIPER report compiled by Rogers, Casey & Barksdale Inc.**




# MBank values approach that made it a leader

By Ed Christman

A value approach is what helped MBank, Fort Worth, Texas, rank No. 1 for three months and No. 3 for one year among commingled equity funds in Pensions & Investments' Performance Evaluation Report.

Frank P. Ganucheau, senior vice president of MBank Fort Worth and vice president of parent MSecurities, said managers of the $8.3 million fund use a value approach, buying stocks that are out of favor with Wall Street.

That helped MBank salvage a 1.7% return for the quarter ended Sept. 30, when the Standard & Poor's 500 stock index sank to -4.1%. The median fund in the PIPER universe fared slightly better, returning -4%.

In explaining the investment approach used by MBank, Mr. Ganucheau said, "The price of a stock is most important.

"Basically, we try to own stocks that have a low price-earnings multiple and low price-to-book value. Those stocks also must be companies with a positive cash flow."

During the quarter, the portfolio consisted of 20 to 25 stocks. Of the 22 stocks in the portfolio at the end of the quarter, four were flat, seven were down and 11 were up, he reported.

Two showed significant gains: **General Foods Corp.**, up 18.5%, and **Gulf & Western Industries Inc.**, up 13%. Other good-performing stocks were **Donaldson & Co., First National Bank of Anchorage, Temple Inland Inc.** and **Brown-Forman Corp.**

To find stocks meeting his requirements, Mr. Ganucheau said he uses "the investor's equation," which is also the name of a 1984 book he wrote with William M. Bowman of Seattle-based Composite Research & Management Co.

"The investor's equation compares the price of a stock to its p/e, earnings on book value and return on equity, then compares that to the price of intermediate government bonds. (Securities) give us a payback time in years.

"If a stock's payback time is lower than a bond's, then we have a good idea."

For the quarter, MBank was followed by United of Denver, with a 1.2% return; Pioneer Bank, Chicago, 1%; and First Fidelity Bank, Newark, N.J., 0.3%.

For the one-year period ended Sept. 30, MBank's commingled fund returned 26.1%.

The top spot for the year went to Sun Banks Inc., Orlando, Fla., with a return of 33.9%. Sun Banks also led for the three- and five-year periods, with compound annualized returns of 31.7% and 24.8%, respectively.

For the one-year period, the median fund in the PIPER universe returned 14.9%, compared with 14.6% for the S&P 500.

Anthony Gray, executive vice president, said of the about $67 million Sun Banks fund: "The economy showed disappointing growth so cyclical stocks had disappointing earnings. In the areas that we emphasized, there was growth well ahead of corporate earnings."

He said the bank tends to concentrate on the big-name stocks with well-above average growth and average p/e, yields and betas. It is an approach used consistently for five years, he said.

*Continued on page 35*

## Top quartile commingled equity funds

### 3-month returns

| | % |
|---|---|
| MBank, Fort Worth | 1.7 |
| United of Denver | 1.2 |
| Pioneer Bank, Ill. | 1.0 |
| First Fidelity Bank, N.J. | 0.3 |
| First Alabama Bank (No. 1) | 0.0 |
| Marquette Bank, Minn. | −0.0 |
| Northern Central, Pa. | −0.0 |
| First of Elgin (Fund C), Ill. | −0.1 |
| American Natl., Chicago | −0.1 |
| Seattle Trust, Wash. | −0.4 |
| Phoenix Mutual, Conn. | −0.4 |
| Jefferson Trust, Ill. | −0.5 |
| Security Norstar, N.Y. | −0.8 |
| Society Natl., Ohio | −0.9 |
| CNA Insurance (No. 4), Ill. | −0.9 |
| Bancmidwest (Fund E), Ill. | −0.9 |
| Colorado National Bank | −1.1 |
| Massachusetts Mutual | −1.2 |
| Landmark First Natl., Fla. | −1.2 |
| AmSouth, Ala. | −1.2 |
| Metropolitan Life, N.Y. | −1.2 |
| Home Life, N.Y. | −1.3 |
| Mercantile Safe, Mo. | −1.3 |
| Sovran Bank, Va. | −1.3 |
| Sun Bank, Fla. | −1.4 |
| Wheeling Dollar Bank | −1.5 |
| American Fletcher (Fund J), Ind. | −1.5 |
| First of Neenah, Wis. | −1.6 |
| Valley Natl. (No. 1), Ariz. | −1.6 |
| First Wisconsin Trust | −1.7 |
| US Trust, N.Y. | −1.7 |
| First of Maryland | −1.7 |
| Gary Wheaton Bank | −1.8 |
| First of Omaha (Fund D) | −1.8 |
| Southeast Bank, Fla. | −1.9 |
| First Fidelity, N.J. | −1.9 |
| Bankers Life, Iowa | −2.0 |
| Fidelity Mgmt. Trust, Mass. | −2.0 |
| American National Bank, Ind. | −2.0 |
| First of Neenah, Wis. | −2.0 |
| Nationwide Life Ins., Ohio | −2.1 |
| Natl. Bank of Commerce | −2.1 |
| United Missouri, K.C. | −2.1 |
| American Fletcher, Ind. | −2.2 |
| New Jersey National | −2.2 |
| Confederation Life, Ont. | −2.2 |
| American National Bank, Ind. | −2.3 |
| National of Georgia | −2.3 |
| Wilmington Trust, Del. | −2.3 |
| US Natl. of Galveston | −2.4 |
| Central Bank, Monroe, La. | −2.4 |
| First Variable Life, Ark. | −2.4 |
| Central Bank, Denver | −2.4 |
| Travelers, Conn. | −2.4 |
| First of Mobile, Ala. | −2.5 |
| CIGNA Corp. (A), Conn. | −2.5 |
| College Ret. Eq. Fund | −2.5 |
| Interfirst Bank, Dallas | −2.5 |
| Republic Natl., Dallas | −2.5 |
| Wachovia Bank, N.C. | −2.6 |
| State Natl., Evanston, Ill. | −2.7 |
| First of Maryland | −2.7 |
| Mutual Benefit, N.J. | −2.7 |
| First of Chicago | −2.7 |
| Equitable Bank, Md. | −2.7 |
| **Standard & Poor's 500** | **−4.1** |

### 1-year returns

| | % |
|---|---|
| Sun Bank, Fla. | 33.9 |
| Pioneer Bank, Ill. | 28.3 |
| MBank, Fort Worth | 26.1 |
| New Jersey National | 25.5 |
| American Fletcher (Fund J), Ind. | 22.6 |
| Barnett Banks Trust Co., Fla. | 22.6 |
| State Natl., Evanston, Ill. | 22.3 |
| Summit Trust Co., N.J. | 22.2 |
| First of America, Mich. | 22.2 |
| New York Life Ins. (No. 1) | 22.2 |
| First of Neenah, Wis. | 21.9 |
| CNA Insurance (A), Ill. | 21.7 |
| Provident Mutual (No. 1), Pa. | 21.7 |
| First Interstate of Oregon | 21.5 |
| Manufacturers Detroit, Mich. | 21.3 |
| Interfirst Bank, Dallas | 21.3 |
| First of Maryland | 21.0 |
| First Jersey Natl., N.J. | 20.6 |
| Society National, Ohio | 20.6 |
| State Street Bank (Fund I), Mass. | 20.5 |
| Nationwide Life Ins., Ohio | 20.4 |
| Pittsburgh National, Pa. | 20.4 |
| First Trust Corp., Colo. | 20.2 |
| Bank of New England | 20.1 |
| Bank of California | 20.0 |
| First of Omaha (Fund D) | 20.0 |
| American National, Chicago | 20.0 |
| First of Neenah, Wis. | 19.9 |
| Prudential, N.J. | 19.7 |
| American National, Minn. | 19.4 |
| US Trust, N.Y. | 19.4 |
| First Fidelity Bank, N.J. | 19.3 |
| Mellon Bank, Pa. | 19.3 |
| Bank of Tokyo, N.Y. | 19.2 |
| Southeast Bank, Fla. | 19.2 |
| Fidelity Mgmt. Trust, Mass. | 19.2 |
| Colorado National Bank | 19.2 |

## Top equity funds by size

### 1-year returns

#### Over $100 million

| | % |
|---|---|
| Manufacturers Detroit | 21.3 |
| American Natl., Chicago | 20.0 |
| Prudential, N.J. | 19.7 |
| Mellon Bank, Pa. | 19.3 |
| Fidelity Mgt. Trust, Mass. | 19.2 |
| Metropolitan Life (No. 40) | 17.8 |
| AmeriTrust, Ohio | 17.7 |
| MTrust, Texas | 17.6 |
| Bankers Life, Iowa | 17.0 |
| Provident National, Pa. | 16.8 |

#### $50 million to $100 million

| | % |
|---|---|
| Sun Bank, Fla. | 33.9 |
| First of America, Mich. | 22.2 |
| New York Life Ins. (No. 1) | 22.2 |
| Interfirst Bank, Dallas | 21.3 |
| First Jersey National | 20.6 |
| Republic National, Dallas | 18.8 |
| Old Kent, Mich. | 18.8 |
| Fidelity Bank, Pa. | 18.4 |
| Centerre Trust, Mo. | 16.7 |
| Hibernia National, La. | 16.4 |

#### $10 million to $50 million

| | % |
|---|---|
| American Fletcher (Fund J) | 22.6 |
| Barnett Banks Trust, Fla. | 22.6 |
| Summit Trust Co., N.J. | 22.2 |
| CNA Insurance (A), Ill. | 21.7 |
| First Interstate of Oregon | 21.5 |
| First of Maryland | 21.0 |
| Society National, Ohio | 20.6 |
| Nationwide Life Ins. Ohio | 20.4 |
| First Trust Corp., Colo. | 20.2 |
| Bank of New England | 20.1 |

#### Under $10 million

| | % |
|---|---|
| Pioneer Bank, Ill. | 28.3 |
| MBank, Fort Worth | 26.1 |
| New Jersey National | 25.5 |
| State Natl., Evanston, Ill. | 22.3 |
| First of Neenah, Wis. | 21.9 |
| State Street Bank (Fund I) | 20.5 |
| Pittsburgh Natl., Pa. | 20.4 |
| American National, Minn. | 19.4 |
| National of Georgia | 19.1 |
| Oregon Bank | 19.0 |

### 10-year returns

#### Over $100 million

| | % |
|---|---|
| US Natl. of Oregon | 18.0 |
| Bankers Life, Iowa | 17.5 |
| Provident Natl., Pa. | 17.3 |
| First Union Bank, N.C. | 17.0 |
| MTrust, Texas | 16.3 |
| Aetna Life & Cas., Conn. | 16.1 |
| Massachusetts Mutual | 16.1 |
| Manufacturers Detroit | 15.6 |
| Natl. City Cleveland | 14.7 |
| Texas Commerce | 14.2 |

#### $50 million to $100 million

| | % |
|---|---|
| First Wis. Natl., Madison | 19.6 |
| AmSouth, Ala. | 18.3 |
| Bessemer Trust, N.Y. | 16.9 |
| First of America, Mich. | 16.5 |
| Fifth Third Bank, Ohio | 15.1 |
| First Jersey National | 14.8 |
| United Virginia (No. 5822) | 14.1 |
| Republic Natl., Dallas | 13.5 |
| Sentry Life (B), Wis. | 13.0 |
| Old Kent, Mich. | 12.8 |

#### $10 million to $50 million

| | % |
|---|---|
| Manufacturers Life, Ont. | 24.3 |
| Guardian Insurance (No. 1) | 20.9 |
| US Natl. of Galveston | 19.0 |
| First Variable Life, Ark. | 18.9 |
| First Trust Corp., Colo. | 18.1 |
| First of Omaha (Fund D) | 17.4 |
| Landmark Union Trust, Fla. | 17.3 |
| First of Oklahoma | 17.0 |
| Nationwide Life Ins., Ohio | 16.6 |
| New England Mutual | 16.0 |

#### Under $10 million

| | % |
|---|---|
| Citizens Chillicothe (B) | 18.3 |
| Confederation Life, Ont. | 18.0 |
| MBank, Fort Worth | 16.6 |
| Wheeling Dollar Bank | 14.6 |
| Lake Shore Natl., Ill. | 14.3 |
| Union Central, Ohio | 14.3 |
| First of Neenah, Wis. | 13.8 |
| Pittsburgh Natl. | 13.8 |
| Central Fidelity, Va. | 13.6 |
| First of Warsaw, Ind. | 13.4 |

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*Based on Risk/Return Performance Comparisons report issued by Frank Russell Company for Investment Advisor Separate Accounts and Balanced Separate Accounts for five years ending 12/31/84

tional of Georgia . . . . . 19.1
egon Bank . . . . . 19.0
tl. Bank of Commerce, Neb. . . 19.0
st Wisconsin Trust . . . . . 19.0
Natl. of Galveston . . . . . 18.9
public National, Dallas . . . . . 18.8
curity Norstar Bank, N.Y. . . . 18.8
d Kent, Mich. . . . . 18.8
ntral Fidelity, Va. . . . . 18.4
delity Bank, Pa. . . . . 18.4
st Interstate of Nevada . . . . . 18.3
st of Maryland . . . . . 18.2
anch Bank & Trust, N.C. . . . . 18.1
st Kentucky Trust . . . . . 18.1
tsburgh National, Pa. . . . . 18.1
tl. Bank of Commerce, Tenn. . 18.1
rris Trust, Ill. . . . . 18.0
w England Mutual, Mass. . . . . 18.0
nk of California . . . . . 17.9
tropolitan Life (No. 40), N.Y. . 17.8
eriTrust, Ohio . . . . . 17.7
rthern Central, Pa. . . . . 17.6
izens Chillicothe (B), Mo. . . . 17.6
Trust, Texas . . . . . 17.6
erican Fletcher, Ind. . . . . 17.3
attle Trust, Wash. . . . . 17.3
**ndard & Poor's 500** . . . . . **14.6**

### 3-year returns

| | % |
|---|---|
| n Bank, Fla. | 31.7 |
| nufacturers Life, Ont. | 30.9 |
| st Union Bank, N.C. | 28.1 |
| st Variable Life, Ark. | 27.3 |
| nk of New England | 27.0 |
| Bank, Fort Worth | 27.0 |
| st Interstate of Oregon | 26.6 |
| elity Mgmt. Trust, Mass. | 25.9 |
| vident National, Pa. | 25.5 |
| st Fidelity Bank, N.J. | 25.3 |
| dential, N.J. | 24.7 |
| ublic Natl., Dallas | 24.3 |
| ardian Insurance (No. 1), N.Y. | 24.1 |
| st of Omaha (Fund D) | 23.7 |
| st Wisconsin Natl., Madison | 23.6 |
| rcantile Safe, Md. | 23.6 |
| nufacturers, Detroit, Mich. | 23.6 |
| n Hancock (No. 1L), Mass. | 23.5 |
| neer Bank, Ill. | 23.4 |
| llon Bank, Pa. | 23.2 |
| e Shore National, Ill. | 23.2 |
| st Alabama, Mobile | 22.7 |
| tual Benefit, N.J. | 22.6 |
| nkers Life, Iowa | 22.6 |
| gon Bank | 22.6 |
| Natl. of Galveston | 22.5 |
| erican Fletcher (Fund J), Ind. | 22.4 |
| l. Bank of Commerce, Tenn. | 22.4 |
| South, Ala. | 22.3 |
| len Bank, Texas | 22.3 |
| w Jersey National | 22.3 |
| erican National, Chicago | 22.2 |
| rine Midland, N.Y. | 22.1 |
| tionwide Life Ins., Ohio | 21.9 |
| Kent, Mich. | 21.8 |
| ted of Denver, Colo. | 21.8 |
| orado National Bank | 21.7 |
| trust, Conn. | 21.7 |
| st of Chicago | 21.7 |
| ng Trust, N.Y. | 21.5 |
| rcantile Trust, Mo. | 21.5 |
| Trust, N.Y. | 21.5 |
| nterre Trust, Mo. | 21.4 |
| st of Warsaw, Ind. | 21.3 |
| n Hancock (No. 1k), Mass. | 21.3 |
| n Mutual Life (A), Pa. | 21.0 |
| ntinental Bank, Pa. | 21.0 |
| curity Norstar Bank, N.Y. | 20.9 |
| te National, Evanston, Ill. | 20.9 |
| lege Ret. Eq. Fund | 20.9 |
| st of America, Mich. | 20.9 |
| eriTrust, Ohio | 20.7 |
| utheast Bank, Fla. | 20.6 |
| st Trust Corp., Colo. | 20.6 |
| w England Mutual, Mass. | 20.5 |
| ciety National, Ohio | 20.5 |
| dmark Union Trust, Fla. | 20.4 |
| ttle Trust, Wash. | 20.4 |
| nfederation Life, Ont. | 20.3 |
| st Wisconsin Trust | 20.3 |
| eeling Dollar Bank, W. Va. | 20.3 |
| st Fidelity Bank, N.J. | 20.3 |
| **ndard & Poor's 500** | **20.1** |

### 5-year returns

| | % |
|---|---|
| n Bank, Fla. | 24.8 |
| nufacturers Life, Ont. | 22.4 |
| st Union Bank, N.C. | 22.0 |
| st Fidelity Bank, N.J. | 20.9 |
| st Variable Life, Ark. | 20.2 |
| nufacturers Detroit, Mich. | 19.6 |
| source Bank & Trust, Minn. | 19.5 |
| South, Ala. | 19.3 |
| ank, Fort Worth | 18.9 |
| e Shore National, Ill. | 18.8 |
| vident National, Pa. | 18.6 |
| st of Oklahoma | 18.5 |
| ted of Denver | 18.4 |
| Natl. of Galveston | 18.3 |
| st of Omaha (Fund D) | 18.1 |

American National, Chicago . . . . 18.0
Guardian Insurance (No. 1), N.Y. 17.9
Nationwide Life Ins., Ohio . . . . 17.9
First Interstate of Oregon . . . . . 17.9
Prudential, N.J. . . . . 17.4
New England Mutual . . . . . 17.4
Midlantic National, N.J. . . . . 17.2
First Wisconsin Trust . . . . . 17.2
Mutual Benefit, N.J. . . . . 17.1
Massachusetts Mutual . . . . . 17.0
Bank of Tokyo, N.Y. . . . . 17.0
Pioneer Bank, Ill. . . . . 16.9
US Natl. of Oregon . . . . . 16.8
Landmark Union Trust, Fla. . . . 16.7
Wheeling Dollar Bank, W. Va. . . 16.7
American Fletcher (Fund J), Ind. 16.7
Colorado National Bank . . . . . 16.7
First Wisconsin Natl., Madison . . 16.5
Dauphin Deposit, Pa. . . . . 16.4
Natl. Bank of Commerce, Tenn. 16.3

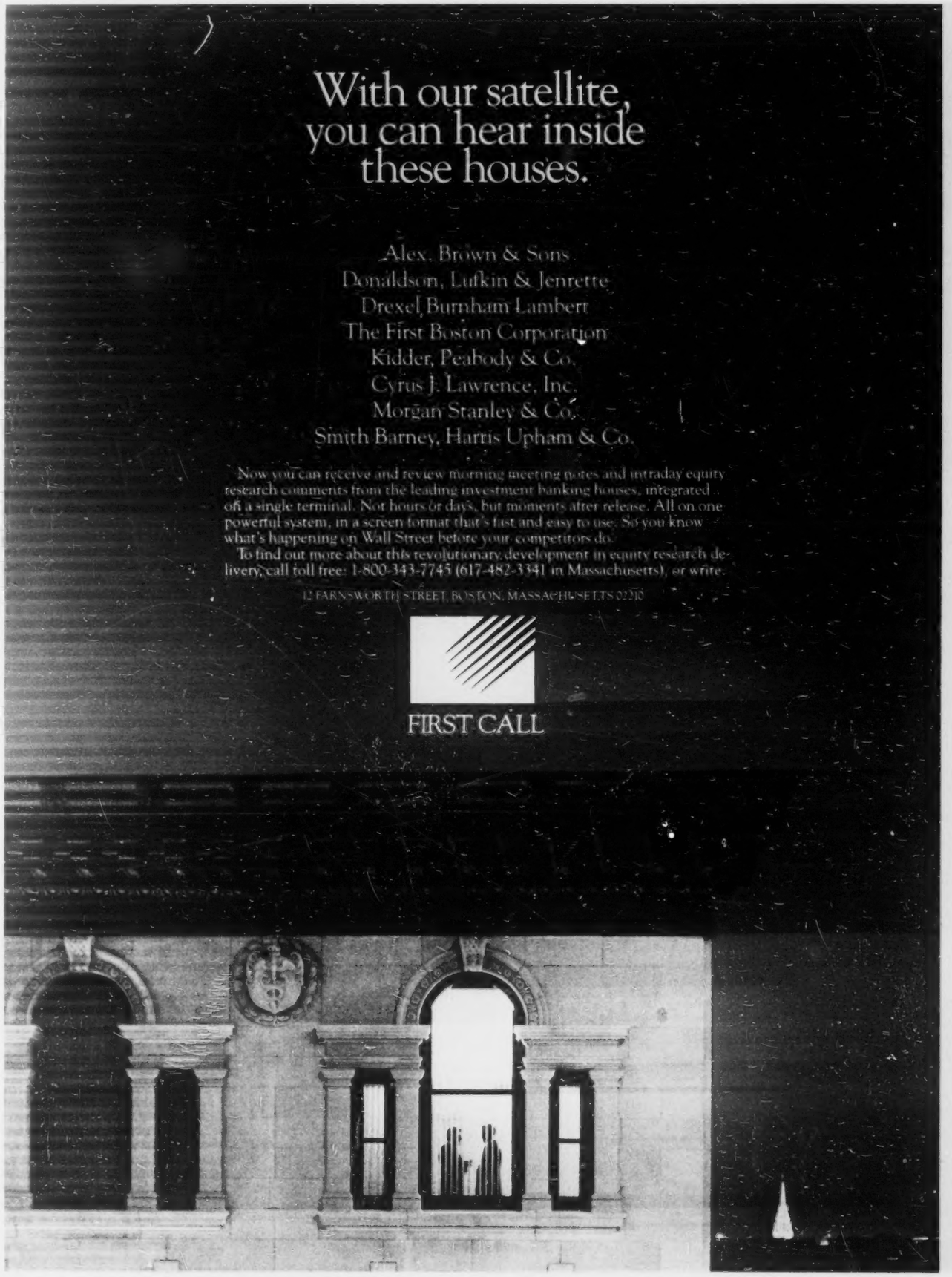
Union Central, Ohio . . . . . 16.3
Confederation Life, Ont. . . . . 16.2
Centerre Trust, Mo. . . . . 16.0
First of America, Mich. . . . . 16.0
First Alabama Bank (I) . . . . . 15.9
First Security Natl., Ky. . . . . 15.9
New Jersey National . . . . . 15.7
Dominion Trust, Va. . . . . 15.7
Security Norstar Bank, N.Y. . . . 15.6
Mercantile Safe, Md. . . . . 15.6
First Tennessee, Chat. . . . . 15.5
Citytrust, Conn. . . . . 15.5
Southeast Bank, Fla. . . . . 15.5
Barnett Banks Trust, Fla. . . . . 15.4
Minnesota Mutual (C) . . . . . 15.3
First of Warsaw, Ind. . . . . 15.3
Gary Wheaton Bank, Ill. . . . . 15.3
First in Bartlesville, Okla. . . . . 15.2
Texas Commerce . . . . . 15.2
AmeriTrust, Ohio . . . . . 15.1

Old Kent, Mich. . . . . 15.1
Mid-State Bancorp, Pa. . . . . 15.0
State Street Bank, Mass. . . . . 14.9
Republic Natl., Dallas . . . . . 14.9
United Virginia Bank (No. 5822) . 14.9
**Standard & Poor's 500** . . . . . **13.2**

### 10-year returns

| | % |
|---|---|
| Manufacturers Life, Ont. | 24.3 |
| Guardian Insurance (No. 1), N.Y. | 20.9 |
| First Wisconsin Natl., Madison | 19.6 |
| US National of Galveston | 19.0 |
| First Variable Life, Ark. | 18.9 |
| Citizens Chillicothe (B), Mo. | 18.3 |
| AmSouth, Ala. | 18.3 |
| First Trust Corp, Colo. | 18.1 |
| Confederation Life, Ont. | 18.0 |
| US National of Oregon | 18.0 |
| Bankers Life, Iowa | 17.5 |

First of Omaha (Fund D) . . . . . 17.4
Landmark Union Trust, Fla. . . . 17.3
Provident National, Pa. . . . . 17.3
First Union Bank, N.C. . . . . 17.0
First of Oklahoma . . . . . 17.0
Bessemer Trust, N.Y. . . . . 16.9
Nationwide Life Ins., Ohio . . . . 16.6
MBank, Fort Worth, Texas . . . . 16.6
First of America, Mich. . . . . 16.5
MTrust, Texas . . . . . 16.3
Aetna Life & Casualty, Conn. . . . 16.1
Massachusetts Mutual . . . . . 16.1
New England Mutual . . . . . 16.0
First Interstate of Denver . . . . . 15.9
Natl. Bank of Commerce, Neb. . . 15.8
First Interstate of Oregon . . . . . 15.7
United of Denver . . . . . 15.6
Manufacturers Detroit, Mich. . . . 15.6
Colorado National Bank . . . . . 15.3
Penn Mutual Life (A), Pa. . . . . 15.3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| | |
|---|---|
| Fifth Third Bank, Ohio | 15.1 |
| Security Norstar Bank, N.Y. | 14.9 |
| First Jersey National, N.J. | 14.8 |
| Continental Bank, Pa. | 14.8 |
| Employers Life of Wausau (No. 1) | 14.8 |
| First Tennessee, Chat. | 14.7 |
| National City Cleveland | 14.7 |
| Home Life, N.Y. | 14.6 |
| Wheeling Dollar Bank, W. Va. | 14.6 |
| Citytrust, Conn. | 14.4 |
| Liberty National, Okla. | 14.4 |
| Lake Shore National, Ill. | 14.3 |
| Union Central, Ohio | 14.3 |
| Bank of Oklahoma, Tulsa | 14.3 |
| First National, Lincoln | 14.3 |
| American Fletcher (Fund J), Ind. | 14.2 |
| Society National, Ohio | 14.2 |
| Texas Commerce | 14.2 |
| **Standard & Poor's 500** | 13.5 |

### Top quartile commingled fixed-income funds

#### 3-month returns

| | % |
|---|---|
| Bankers Life, Iowa | 4.6 |
| Morgan Guaranty, N.Y. | 3.8 |
| Citicorp, N.Y. | 3.6 |
| Landmark First Natl., Fla. | 3.1 |
| Travelers (D), Conn. | 3.1 |
| United Carolina Bank, N.C. | 3.0 |
| First of Neenah, Wis. | 3.0 |
| First of Kenosha (4002), Wis. | 2.9 |
| Manufacturers Hanover, N.Y. | 2.9 |
| Calcasieu Marine Natl., (E), La. | 2.9 |
| Security Norstar Bank, N.Y. | 2.9 |
| United Missouri, K.C. | 2.9 |
| Crown Life, Ont. | 2.9 |
| First National, Jackson, Miss. | 2.9 |
| Mutual of New York | 2.9 |
| Dauphin Deposit, Pa. | 2.8 |
| Beverly Bank, Ill. | 2.8 |
| Manufacturers Detroit, Mich. | 2.8 |
| US Trust, N.Y. | 2.8 |
| Chemical Bank (No. 1), N.Y. | 2.8 |
| First of Penna, Erie | 2.8 |
| First of Maryland | 2.8 |
| General American (9), Mo. | 2.8 |
| Mercantile Safe, Md. | 2.8 |
| IAA Trust Co. (B), Ill. | 2.7 |
| Aetna Life & Cas. (No. 76), Conn. | 2.7 |
| Chase Manhattan (A), N.Y. | 2.7 |
| Metropolitan Life (No. 41), N.Y. | 2.6 |
| First Interstate of Wis. | 2.6 |
| Summit Bank, Ind. | 2.6 |
| Hawaiian Trust | 2.6 |
| Bessemer Trust, N.Y. | 2.6 |
| Seafirst Bank, Wash. | 2.6 |
| Equitable Bank, Md. | 2.6 |
| First Kentucky Trust | 2.6 |
| Mutual of New York | 2.6 |
| First of Warsaw, Ind. | 2.6 |
| Dauphin Deposit, Pa. | 2.6 |
| Philadelphia National, Pa. | 2.6 |
| Sovran Bank, Va. | 2.6 |
| American National, Minn. | 2.6 |
| First National, Lincoln, Neb. | 2.6 |
| First Variable Life, Ark. | 2.6 |
| Fourth National, Wichita, Kan. | 2.6 |
| Connecticut National Bank | 2.5 |
| First of Boston | 2.5 |
| United of Denver | 2.5 |
| AmeriTrust, Ohio | 2.5 |
| First Fidelity Bank, N.J. | 2.5 |
| Life of Virginia | 2.5 |
| Indiana National Bank | 2.5 |
| Unibanctrust, Ill. | 2.5 |
| Comerica Bank, Mich. | 2.5 |
| Citizens Fidelity (F), Ky. | 2.4 |
| Gary Wheaton Bank, Ill. | 2.4 |
| First of Oklahoma | 2.4 |
| Citizens & Southern, Ga. | 2.4 |
| First Security Natl. (F), Ky. | 2.4 |
| Rainier Natl. (F), Wash. | 2.4 |
| First Bank, Milwaukee, Wis. | 2.4 |
| Hamilton Bank, Pa. | 2.4 |
| Mercantile Safe, Md. | 2.4 |
| Merchants Natl., Ind. | 2.4 |
| Natl. Bank of Commerce, Neb. | 2.4 |
| **Shearson Lehman Index** | 2.0 |

#### 1-year returns

| | % |
|---|---|
| United of Denver | 29.3 |
| Life of Virginia | 28.1 |
| First Interstate of Nevada | 27.1 |
| Centerre Trust, Mo. | 26.9 |
| AmSouth, Ala. | 26.5 |
| First Interstate of Denver | 26.0 |
| Connecticut National Bank | 25.7 |
| Trust Svcs of Amer., Calif. | 25.2 |
| Bankers Life, Iowa | 25.0 |
| Travelers (P), Conn. | 24.8 |
| Society National, Ohio | 24.8 |
| Colorado National Bank | 24.4 |
| Fourth Natl., Wichita, Kan. | 24.0 |
| John Hancock, Mass. | 23.8 |
| Security Norstar Bank, N.Y. | 23.7 |
| Hawaiian Trust | 23.7 |
| Manufacturers Hanover, N.Y. | 23.6 |

### Top fixed funds by size

#### 1-year returns

#### Over $100 million

| | % |
|---|---|
| Life of Virginia | 28.1 |
| Centerre Trust, Mo. | 26.9 |
| John Hancock, Mass. | 23.8 |
| Manufacturers Hanover | 23.6 |
| American Security, D.C. | 23.4 |
| Aetna Life & Cas. (No. 76) | 23.3 |
| Morgan Guaranty, N.Y. | 23.3 |
| Wachovia Bank, N.C. | 23.2 |
| Texas Commerce | 22.8 |
| CIGNA Corp., Conn. | 22.4 |

#### $50 million to $100 million

| | % |
|---|---|
| First Interstate of Denver | 26.0 |
| Bankers Life, Iowa | 25.0 |
| Fifth Third Bank, Ohio | 22.7 |
| Chemical Bank (No. 1), N.Y. | 22.6 |
| Continental Illinois | 22.4 |
| Comerica Bank, Mich. | 22.2 |
| Sovran Bank, Va. | 21.7 |
| Mutual of New York | 21.3 |
| Provident Natl., Pa. | 21.3 |
| Boatmen's Natl., Mo. | 21.0 |

#### $10 million to $50 million

| | % |
|---|---|
| United of Denver | 29.3 |
| AmSouth, Ala. | 26.5 |
| Trust Svcs of Amer., Calif. | 25.2 |
| Travelers (P), Conn. | 24.8 |
| Society National, Ohio | 24.8 |
| Colorado National Bank | 24.4 |
| Fourth Natl., Wichita | 24.0 |
| Hawaiian Trust | 23.7 |
| Manufacturers Detroit | 23.2 |
| Connecticut National Bank | 23.1 |

#### Under $10 million

| | % |
|---|---|
| First Interstate of Nevada | 27.1 |
| Connecticut National Bank | 25.7 |
| Security Norstar Bank, N.Y. | 23.7 |
| Northern Central, Pa. | 23.5 |
| Bank of California | 23.5 |
| Beverly Bank, Ill. | 23.2 |
| IAA Trust Co. (B), Ill. | 23.2 |
| American National, Minn. | 23.2 |
| Central Fidelity, Va. | 22.6 |
| Manufacturers Life, Ont. | 22.3 |

#### 10-year returns

#### Over $100 million

| | % |
|---|---|
| Life of Virginia | 12.7 |
| Texas Commerce | 12.3 |
| American Security, D.C. | 11.6 |
| Manufacturers Hanover | 11.5 |
| Centerre Trust, Mo. | 11.5 |
| John Hancock, Mass. | 11.3 |
| CIGNA Corp., Conn. | 10.7 |
| NCNB National Bank, N.C. | 10.4 |
| Wachovia Bank, N.C. | 10.4 |
| First of Chicago | 10.4 |

#### $50 million to $100 million

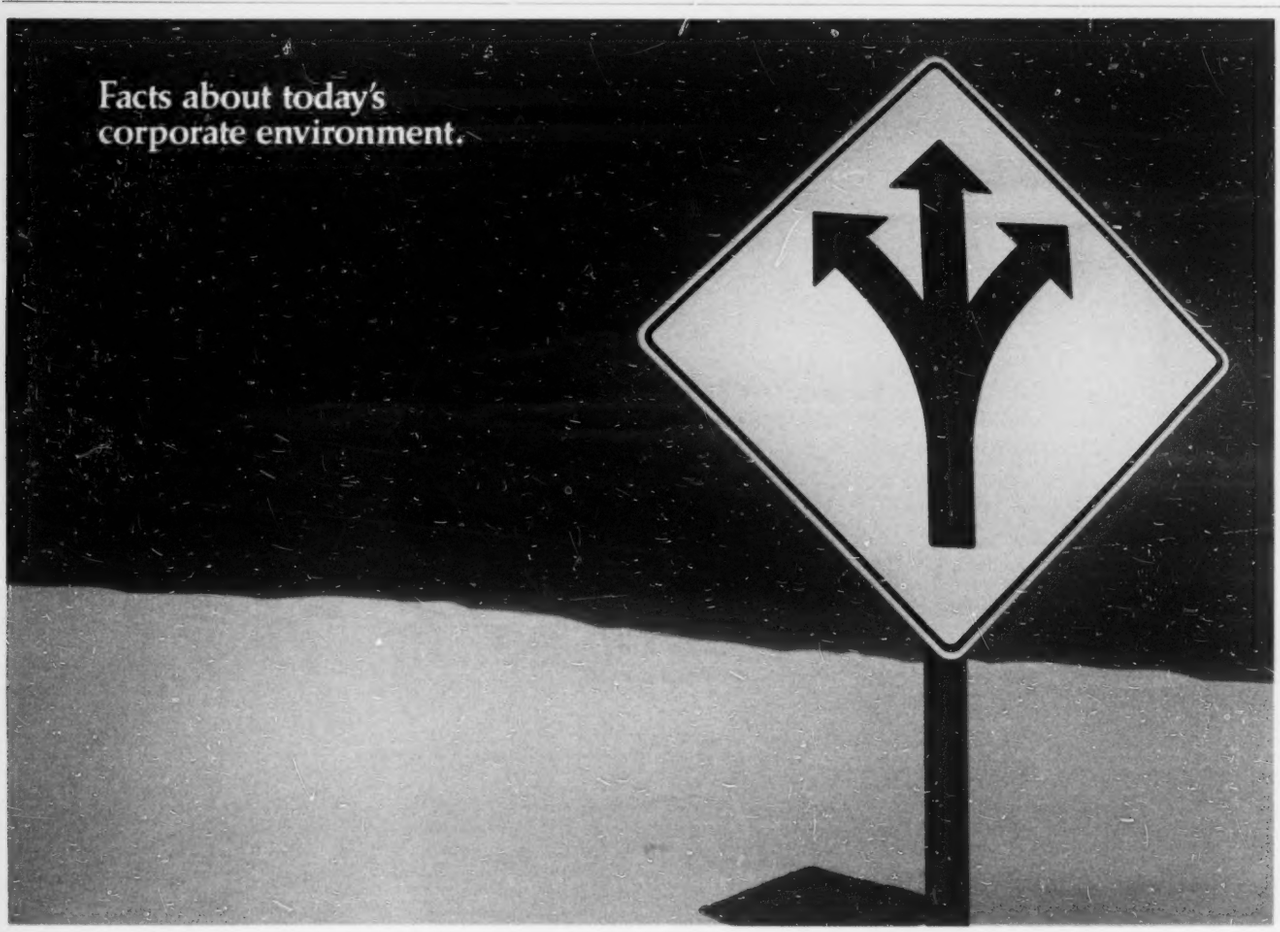
| | % |
|---|---|
| Sovran Bank, Va. | 12.8 |
| Hibernia National, La. | 11.4 |
| Mercantile Trust, Mo. | 11.1 |
| American Natl., Chicago | 10.5 |
| First Interstate of Denver | 10.4 |
| Provident Natl., Pa. | 10.0 |
| Comerica Bank, Mich. | 10.0 |
| Marine Midland, N.Y. | 9.9 |
| Norwest Bank, Minn. | 9.6 |
| Chemical Bank (No. 1), N.Y. | 9.5 |

#### $10 million to $50 million

| | % |
|---|---|
| Fourth Natl., Wichita | 13.3 |
| Pacific Mutual, Calif. | 12.8 |
| First Jersey Natl. | 12.1 |
| Seafirst Bank, Wash. | 12.0 |
| Fidelity Bank, Pa. | 11.8 |
| First Interstate of Calif. | 11.8 |
| Jefferson Trust, Ill. | 11.7 |
| Commerce Union, Tenn. | 11.6 |
| First Fidelity Bank, N.J. | 11.4 |
| United of Denver, Colo. | 11.4 |

#### Under $10 million

| | % |
|---|---|
| Beverly Bank, Ill. | 12.3 |
| Central Fidelity, Va. | 11.9 |
| First of Neenah, Wis. | 10.9 |
| Key Trust Co., N.Y. | 10.8 |
| MBank, Austin | 10.7 |
| First in Bartlesville | 10.7 |
| First of Penna, Erie | 10.6 |
| First of Neenah, Wis. | 10.6 |
| First Midwest, Moline, Ill. | 10.6 |
| Oregon Bank | 10.5 |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| | |
|---|---|
| Northern Central, Pa. | 23.5 |
| Bank of California | 23.5 |
| Citicorp, N.Y. | 23.4 |
| American Security, D.C. | 23.4 |
| Aetna Life & Cas. (No. 76), Conn. | 23.3 |
| Morgan Guaranty, N.Y. | 23.3 |
| Beverly Bank, Ill. | 23.2 |
| Wachovia Bank, N.C. | 23.2 |
| IAA Trust Co. (B), Ill. | 23.2 |
| Manufacturers Detroit, Mich. | 23.2 |
| American National, Minn. | 23.2 |
| Connecticut National Bank | 23.1 |
| Natl. Bank of Commerce, Neb. | 22.9 |
| Commerce Union, Tenn. | 22.8 |
| Mellon Bank, Pa. | 22.8 |
| Texas Commerce | 22.8 |
| Bessemer Trust, N.Y. | 22.8 |
| Fifth Third Bank, Ohio | 22.7 |
| Chernical Bank (No. 1), N.Y. | 22.6 |
| Seafirst Bank, Wash. | 22.6 |
| Central Fidelity, Va. | 22.6 |
| First Wis. Natl., Madison | 22.5 |
| Associated Manitowoc, Wis. | 22.5 |
| Republic Natl., Dallas | 22.5 |
| Northern Trust, Ill. | 22.4 |
| Continental Illinois | 22.4 |
| CIGNA Corp., Conn. | 22.4 |
| Bank of New England | 22.3 |
| First Interstate of Calif. | 22.3 |
| Manufacturers Life, Ont. | 22.3 |
| Comerica Bank, Mich. | 22.2 |
| MBank, Austin, Texas | 22.2 |
| First City Natl., Houston | 22.1 |
| Colonial American Natl., Va. | 22.0 |
| National City, Cleveland | 22.0 |
| First Jersey National, N.J. | 21.9 |
| Landmark First Natl., Fla. | 21.8 |
| First Kentucky Trust | 21.8 |
| US National of Oregon | 21.8 |
| First of Minneapolis | 21.8 |
| US Trust, N.Y. | 21.7 |
| First National, Lincoln | 21.7 |
| First of Chicago | 21.7 |
| Liberty National, Ky. | 21.7 |
| Sovran Bank, Va. | 21.7 |
| **Shearson Lehman Index** | **21.2** |

**3-year returns**

| | % |
|---|---|
| First Variable Life, Ark. | 18.4 |
| Trust Svcs of Amer., Calif. | 18.4 |
| Central Fidelity, Va. | 18.3 |
| Life of Virginia | 18.1 |
| United of Denver | 18.0 |
| Mutual of New York | 17.6 |
| IAA Trust Co. (Fund B), Ill. | 17.5 |
| First Wis. Natl., Madison | 17.4 |
| Beverly Bank, Ill. | 17.1 |
| CIGNA Corp., Conn. | 17.0 |
| California First Bank | 16.9 |
| First Kentucky Trust | 16.9 |
| Travelers (D), Conn. | 16.7 |
| First Interstate of Denver | 16.6 |
| Lloyds Bank (Fund C), Calif. | 16.6 |
| Key Trust Co., N.Y. | 16.6 |
| John Hancock, Mass. | 16.6 |
| Mutual of New York | 16.6 |
| First Alabama, Mobile | 16.6 |
| First of Neenah, Wis. | 16.5 |
| MBank, Austin, Texas | 16.4 |
| Morgan Guaranty, N.Y. | 16.4 |
| First Interstate of Calif. | 16.3 |
| Connecticut National Bank | 16.3 |
| AmSouth, Ala. | 16.2 |
| Sovran Bank, Va. | 16.2 |
| State Street Bank, Mass. | 16.2 |
| First Interstate of Nevada | 16.1 |
| Colorado National Bank | 16.1 |
| Citicorp, N.Y. | 16.0 |
| Colonial American Natl., Va. | 15.9 |
| Hamilton Bank, Pa. | 15.9 |
| First of Chicago | 15.7 |
| Society National, Ohio | 15.7 |
| Pacific Mutual, Calif. | 15.7 |
| Marine Midland, N.Y. | 15.6 |
| American Security, D.C. | 15.5 |
| Toledo Trust, Ohio | 15.5 |
| First of Omaha (Fund C) | 15.5 |
| Security Norstar Bank, N.Y. | 15.5 |
| Centerre Trust, Mo. | 15.5 |
| Pioneer Bank, Ill. | 15.5 |
| Manufacturers Detroit | 15.4 |
| General American (No. 9), Mo. | 15.2 |
| Bank of California | 15.1 |
| Liberty National, Ky. | 15.1 |
| First of Maryland | 15.0 |
| Liberty National, Okla. | 15.0 |
| First Jersey Natl., N.J. | 15.0 |
| Mellon Bank, Pa. | 15.0 |
| First of Warsaw, Ind. | 15.0 |
| National of Georgia | 14.9 |
| CIGNA Corp., Conn. | 14.9 |
| **Shearson Lehman Index** | **14.9** |

**5-year returns**

| | % |
|---|---|
| Life of Virginia | 17.8 |
| Sovran Bank, Va. | 17.2 |
| First Kentucky Trust | 16.8 |
| Allied Bank, Texas | 16.4 |
| CIGNA Corp., Conn. | 16.3 |
| United of Denver | 16.2 |
| Travelers (D), Conn. | 16.2 |
| Trust Svcs of Amer., Calif. | 16.1 |
| First Interstate of Denver | 16.1 |
| Beverly Bank, Ill. | 16.0 |
| First Interstate of Calif. | 16.0 |
| Pacific Mutual, Calif. | 15.9 |
| Central Fidelity, Va. | 15.9 |
| Mutual of New York | 15.9 |
| Connecticut National Bank | 15.9 |
| John Hancock, Mass. | 15.9 |
| American Security, D.C. | 15.8 |
| Society National, Ohio | 15.8 |
| Centerre Trust, Mo. | 15.8 |
| Lloyds Bank (Fund C), Calif. | 15.8 |
| First Wis. Natl., Madison | 15.7 |
| Citicorp, N.Y. | 15.7 |
| First Variable Life, Ark. | 15.6 |
| Marine Midland, N.Y. | 15.6 |
| Cullen Bank, Texas | 15.6 |
| Mellon Bank, Pa. | 15.6 |
| Fourth Natl., Wichita, Kan. | 15.5 |
| Seafirst Bank, Wash. | 15.5 |
| First of Maryland | 15.4 |
| Morgan Guaranty, N.Y. | 15.4 |
| California First Bank | 15.4 |
| State Street Bank, Mass. | 15.3 |
| Mutual of New York | 15.3 |


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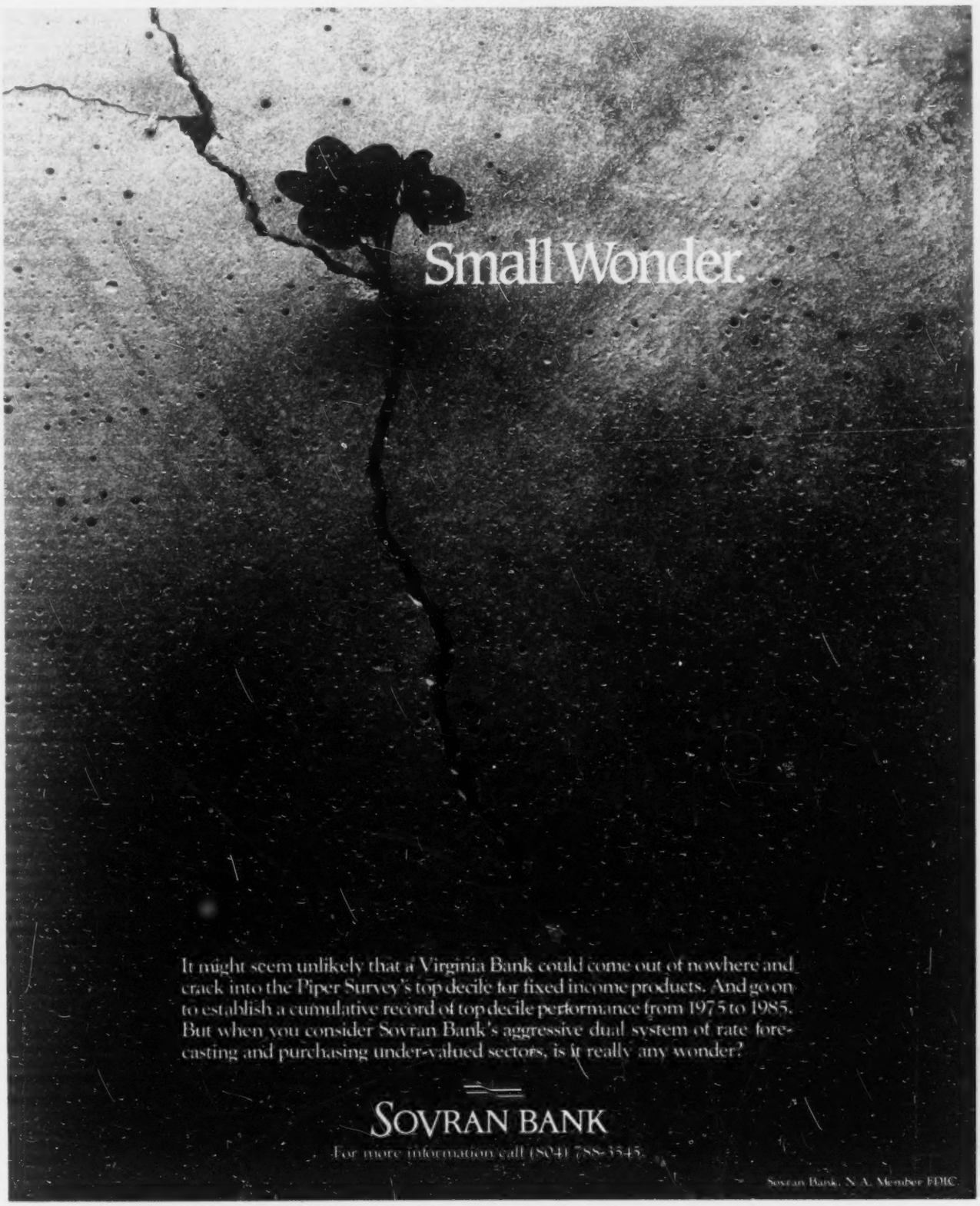
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# Intermediate . . .

*Continued from page 29*

The $4 million commingled fixed-income fund of Central Fidelity Bank, Richmond, Va., made the biggest jump for the three-year period of the top five funds. Central Fidelity ranked third with a compound annualized return of 18.3%, up from its ninth place finish for the same period in the previous quarter.

"Our general approach has been to be somewhat risk averse. We try to do some interest rate anticipation," said Boyce G. Reid, senior vice president of CFB Advisory Corp, Richmond, the bank's investment management subsidiary.

Mr. Reid said the fund's average maturity, which falls within a four- to 10-year range, partially accounted for the fund's improvement.

"The fund is balanced between intermediate-term, federal agency securities and the intermediate-term, sinking fund discount (bonds).

"To some extent, we have been able to shift maturities from somewhat longer to somewhat shorter maturities to take advantage of interest rate swings," he said.

For the three-year period, the median fund in the PIPER universe had a compound annualized return of 13.1%, compared with the Shearson Lehman index's 14.9%.

The top two funds for the five-year period exchanged positions from the previous quarter's report.

For the period ended Sept. 30, the Life Insurance Co. of Virginia, Richmond, finished first, with a compound annualized return of 17.8%, followed by Sovran Bank, also in Richmond, with 17.2%.

The $36 million fixed-income fund of First Kentucky Trust Co., Louisville, moved into the third spot, with a compound annualized return of 16.8%, up from its seventh-place ranking for the same period in the previous quarter's report.

William F. Chandler, senior vice president of First Kentucky, said although the fund's average maturity falls into the intermediate range, the investment strategy emphasizes selection of particular securities.

"We are very active in the management of the fund. Turnaround ranges from 100% to a couple hundred percent in a year. We invest the fund to maintain an average maturity in and around the Shearson Lehman Government/Corporate bond index," he said.

"We spend a lot of time on selection and reselection. We do a lot of bond swaps," he said.

For the most part, Mr. Chandler said, the fund's good performance has been the result of "active repositioning" and not of maturity alteration.

The only exception to this, he said, was 1982, when selection process also resulted in a good market-timing decision.

"It happens that the bonds that we bought, whether they be government or corporate, had a longer average maturity than the Shearson Lehman index," so the bonds performed well when interest rates declined, he said.

"That was the one year where good selection was augmented by a good timing move, although it wasn't designed that way," Mr. Chandler said.

For the five-year period, the median fund returned a compound annualized 13.9%, and the Shearson Lehman index, 14.9%.

For the fifth consecutive quarter, the Fourth National Bank and Trust Co., Wichita, Kan., was the top performing fund for the 10-year period. Fourth National had a compound annualized return of 13.3% for the period ended Sept. 30.

For the same period, the median fund returned a compound annualized 10.1%, compared with the Shearson Lehman's 10.3%.

While Fourth National has maintained its top ranking, the next four funds have wrestled each other for position among the remaining spots in the top five.

For the period ended Sept. 30, Fourth National was followed by Pacific Mutual Life Insurance Co., Newport Beach, Calif., and Sovran Bank, each with compound annualized returns of 12.8%; Life Insurance Co. of Virginia, 12.7%; and Beverly Bank, Chicago, 12.3%. ■

| | |
|---|---|
| Commerce Union, Tenn. | 15.3 |
| Bank of California | 15.2 |
| Key Trust Co., N.Y. | 15.2 |
| AmSouth, Ala. | 15.2 |
| Fidelity Bank, Pa. | 15.2 |
| Colonial Am. Natl., Va. | 15.1 |
| First of Omaha (Fund C) | 15.1 |
| First Interstate of Nevada | 15.0 |
| Wachovia Bank, N.C. | 15.0 |
| Manufacturers Hanover, N.Y. | 14.9 |
| IAA Trust Co. (Fund B), Ill. | 14.9 |
| First Bank, Milwaukee, Wis. | 14.9 |
| First Fidelity Bank, N.J. | 14.9 |
| Colorado National Bank | 14.9 |
| **Shearson Lehman Index** | **14.9** |

**10-year returns**

| | % |
|---|---|
| Fourth Natl., Wichita, Kan. | 13.3 |
| Pacific Mutual, Calif. | 12.8 |
| Sovran Bank, Va. | 12.8 |
| Life of Virginia | 12.7 |
| Beverly Bank, Ill. | 12.3 |
| Texas Commerce | 12.3 |
| First Jersey National, N.J. | 12.1 |
| Seafirst Bank, Wash. | 12.0 |
| Central Fidelity, Va. | 11.9 |
| Fidelity Bank, Pa. | 11.8 |
| First Interstate of Calif. | 11.8 |
| Jefferson Trust, Ill. | 11.7 |
| American Security, D.C. | 11.6 |
| Commerce Union, Tenn. | 11.6 |
| Manufacturers Hanover, N.Y. | 11.5 |
| Centerre Trust, Mo. | 11.5 |
| First Fidelity Bank, N.J. | 11.4 |
| United of Denver | 11.4 |
| Hibernia National, La. | 11.4 |
| John Hancock, Mass. | 11.3 |
| First Wis. Natl., Madison | 11.3 |
| Manufacturers Detroit | 11.2 |
| First Kentucky Trust | 11.2 |
| Mercantile Trust, Mo. | 11.1 |
| Lloyds Bank (Fund C), Calif. | 11.1 |
| Allied Bank, Texas | 11.0 |
| First of Neenah, Wis. | 10.9 |
| Cullen Bank, Texas | 10.9 |
| California First Bank | 10.9 |
| Trust Svcs of Amer., Calif. | 10.9 |
| American National Bank, Tenn. | 10.9 |
| Mellon Bank, Pa. | 10.8 |
| Toledo Trust, Ohio | 10.8 |
| Key Trust Co., N.Y. | 10.8 |
| MBank Austin, Texas | 10.7 |
| CIGNA Corp., Conn. | 10.7 |
| US Trust, N.Y. | 10.7 |
| Indiana National Bank | 10.7 |
| Bank of New England | 10.7 |
| First in Bartlesville, Okla. | 10.7 |
| AmeriTrust, Ohio | 10.7 |
| **Shearson Lehman Index** | **10.3** |

The partnership at work. Dick Fulljames, Treasurer of General Electric Pension Trusts (center), discusses global custody with Dave Mann, Chase NY (left) and Colin Grimsey, Chase London.

**Global Network** **Foreign Exchange**

# MBank at . . .

*Continued from page 29*

"The portfolio has a large concentration in regional banks, property and casualty insurance companies, food and drug stocks," Mr. Gray said.

Among the fund's good-performing stocks are **The Chubb Corp.**, **First Florida Banks**, **Landmark Bank of Florida**, **General Foods Corp.**, **Quaker Oats Co.**, and **KinderCare Learning**, he said.

Paper, machinery and energy — heavy cyclical stocks — were absent from the portfolio. He observed however, that not being in energy "is not helping me much this month. Still, I don't like energy long term."

Mr. Gray said the portfolio did have some cyclical stocks but "I think each stock is unique and has something going for it. They are characterized by excellent management." He included **AMR Corp.**, **Masco Corp.**, and **Cooper Industries Inc.** in that list.

Another aspect of Sun Banks' approach is very active trading.

"We get significant improvement out of trading, which is contrary to most managers. The average manager does a disservice by trading."

In addition to Sun Banks and MBank, the other top performers for the year were Pioneer Bank, with a 28.3% return; New Jersey National Bank, Trenton, 25.5%; and American Fletcher National Bank, Indianapolis, 22.6%.

The Pioneer Bank commingled equity fund, which has about $1 million, is run by Gofen & Glossberg Inc.

Mark R. Goodman, a principle who runs the fund, said the key theme behind the fund's strong showing was "finding stocks that could sidestep the questionable economy. We felt that the environment was favorable to common stocks but the selection process was critical."

Mr. Goodman said he looks for ideas using a bottom-up approach.

He said the fund had about 12 to 15 names, with about a 35% concentration in cable, broadcast and media stocks. Also, he likes special situation stocks and interest sensitive ideas.

Among the stocks that helped the fund achieve its performance were **Storer Communications Inc.**, **Newhall Land/Farming**, **Gulf & Western Industries**, **RCA Corp.**, **United Artists Communications** and **Tele-Communications**, Class A.

Mr. Goodman said he still likes the cable stocks on a long-term basis because of impending deregulation, which he believes hasn't been adequately reflected in the market.

Following Sun Banks for the three years were Manufacturers Life Insurance Co., Toronto, with a compound annualized return of 30.9%; First Union National Bank, Charlotte, N.C., with 28.1%; and First Variable Life, Little Rock, Ark., with 27.3%. For the three-year period, the median PIPER fund returned a compound annualized 17.4%, while the S&P returned 20.1%.

For the five years ended Sept. 30, Sun Banks again was followed by Manufacturers Life, with a compound annualized 22.4%; First Union National Bank with 22%; First Fidelity Bank, 20.9%; and First Variable Life, 20.2%.

The median fund in the PIPER universe and the S&P 500 both returned 13.2% for the five-year period.

Manufacturers Life topped the 10-year period ended Sept. 30, returning a compound annualized 24.3%.

Manufacturers Life's $42.5 million fund uses "a modified value approach," said Donavon McKerchar, assistant investment vice president. Mr. McKerchar said the fund owed its good performance earlier to small technology stocks and, more recently, to the Bell regional stocks, among others.

"We use a modified value approach," Mr. McKerchar said. "We don't insist on low p/e stocks, just stocks that seem to be undervalued.

"We have a predilection toward medium and small companies although we own large ones, too."

He said cash levels can vary, but he likes to buy before the market hits the bottom and sell before it hits the top.

He said the fund was fairly heavy in smaller technology stocks that had been battered, including **Compaq**, a recent purchase. The fund bought a sizable portion at "a very nice price," he said.

Looking ahead, "we think the place to be is cyclically exposed, including technology, paper, trucking and some retail stocks," Mr. McKerchar said.

Other top performers for the 10-year period ended Sept. 30 were Guardian Life Insurance Co. of America, New York, with a compound annualized 20.9%; First Wisconsin National Bank of Madison, 19.6%; United States National Bank, Galveston, Texas, 19%; and First Variable Life, 18.9%.

For the 10-year period, the median fund in the PIPER universe returned a compound annualized 12.6%, compared with the S&P's 13.5%. ■

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# Firms issue fund updates

Several investment managers have issued equity fund performance updates.

For the first six months of 1985, Jenswold, King & Associates, Houston, reported equity performance was up 15.9% with about 13% cash reserves. The nine-year return through Dec. 31, 1984, was up 21.6%, compounded annually.

Equity accounts at Bear Stearns Asset Management, New York, were up 18.8% for the first three quarters of 1985, according to a news release. The Standard & Poor's 500 stock index was up 12.3% for the year to date. For the quarter ended Sept. 30, the firm was down 3.9%, compared with the S&P 500's 4.1% drop.

Greenspan O'Neil Associates, New York, reported a 6.6% decline in equity performance for the quarter ended Sept. 30. For the first nine months of the year, however, it was up 4.3%. ■

# Defined contribution plans

*Owens-Corning Fiberglas officials do not view their defined contribution plan as part of the company's retirement package. A closer look at the fiberglass manufacturer's employee benefits program is on page 50.*

*The profit-sharing contribution plan at Halliburton Co., Dallas, has served as the oil field services company's primary retirement vehicle for more than 40 years. Story on page 46.*

*NCR Corp., whose headquarters in Dayton, Ohio, is pictured below, recently added a fourth investment option — a family of four mutual funds — for participants in its 401(k) plan. Story on page 40.*

# Fund execs trade investing for paper work

THE MOVE to defined contribution plans has resulted in a new ballgame for the players in an industry that has concentrated on defined benefit plans for decades. To determine how the players are affected by that new game, *Pensions & Investment Age* reporters Ed Christman, Rose Darby and Alan Krauss interviewed dozens of corporate pension executives, money managers, consultants and master trustees.

Their two-part report appears below and on page 42.

Corporate pension executives with defined contribution plans say they have more complex administrative responsibilities but simpler investment management structures than with defined benefit plans.

Overall, "you find yourself becoming a loan officer, processing applications, sending them and the appropriate paper work to the trustees, instead of attending to other parts of your job," said an employee benefits manager of a central Ohio manufacturing company.

Monitoring a guaranteed investment contract portfolio that comprises 88% of $42 million in employee benefit assets has resulted in "my department becoming a GIC administration function," said William Stavro, assistant treasurer of Mattel Inc., Hawthorne, Calif.

Mattel terminated its defined benefit plan and replaced it with a defined contribution plan about two years ago. With employees participating in asset allocation now, Mr. Stavro has seen a big move to GICs.

The changes at Mattel and other companies are due, in large part, to the fact that defined contribution assets, unlike those in defined benefit plans, are placed in more conservative and less diversified investments.

Ethan C. Allen, treasurer of Bata Shoe Co. Inc., Belcamp, Md., said he welcomed the shift to defined contribution plans because it relieved him of anxiety-producing investment management decisions.

Bata terminated three defined benefit plans — one in 1984 and two in 1985 — with about $19 million in assets and replaced them with savings plans that by the end of 1986 are expected to have total assets of $8 million.

"It has made our life as a management organization less difficult," Mr. Allen said. "Because we were a relatively small asset base, management of the pension assets was not our full-time responsibility. We had a company with assets of $138 million and 8,000 employees, compared to $19 million in pension assets that were the part-time responsibility of just two people. We were worrying about asset allocation and whether we should be in real estate, fixed income or what.

"Now we have a situation in which we have identified what the company can afford to pay, and we've adopted a risk-averse posture . . . That's made life simpler for management."

Mr. Allen said Bata has a three-year GIC investment cycle that aims to duplicate the benefits employees would have received under the terminated defined benefit plan.

"The GICs are a much more manageable issue to agonize over," than were the reports from the defined benefit plan's outside investment managers and the consultant that monitored performance. "Those reports tended to overwhelm us with numbers every month," he said.

Although the GIC portfolio's 11% rate of return is not as great as the 17% average annual return during the last 10 years the defined benefit plan was in place, Mr. Allen says the trade-off is appropriate.

"While the return is not as great, it's assured," he said. "We've eliminated market risk . . . and attempted to allow for inflation risk. We've avoided those risks and have had to give up some return . . . but we have peace of mind."

When First National Bank & Trust Co., Oklahoma City, had a defined benefit plan, its asset mix was 30% equity, 60% fixed income and 10% alternative investments — primarily real estate, with some limited partnerships and some oil and gas investments, said Bud Burch, vice president and head of employee benefits.

But after it terminated its pension plan in

*Continued on page 47*

## Trend is more plans, less growth

**By Chuck Paustian**

The number of defined contribution plans has almost doubled in the past five years while the annual growth rate of those plans has slowed dramatically.

According to data compiled by the Employee Benefit Research Institute, Washington, there were about 562,000 defined contribution plans as of June 30, an increase of 8% since the beginning of 1980.

The assets in defined contribution plans grew 79% between 1980 and 1984.

Statistics compiled by the Department of Labor show there was $167.6 billion in defined contribution plans at the end of 1980. The department estimated there was $192.3 billion in 1981, $221.2 billion in 1982 and $250.2 billion in 1983.

In his book, "Pensions, Economics and Public Policy," Richard Ippolito, director of policy and research at the Department of Labor, estimated there was $300 billion in defined contribution plans in 1984.

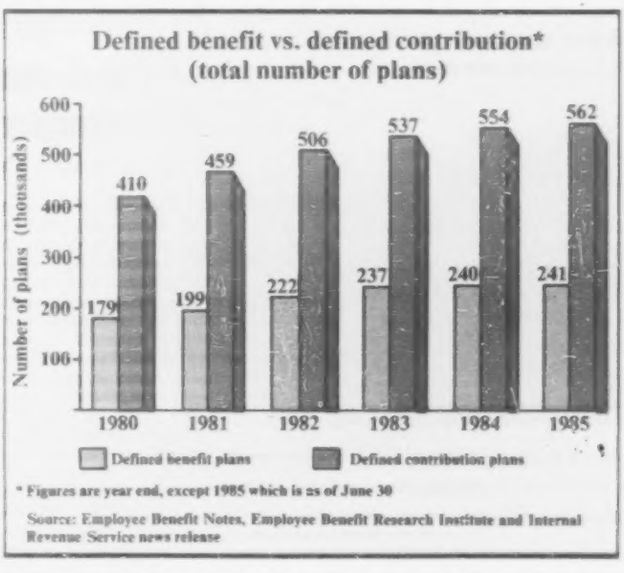
In addition, the number of defined contribution plans still exceeds the number of defined benefit plans by roughly 2-to-1 (see chart).

However, the statistics, based on the number of qualification letters and termination applications received by the Internal Revenue Service, Washington, indicate a decline in the annual growth rates of both defined contribution plans and defined benefit plans.

The decline in growth of defined contribution plans began in 1979, when the number of defined contribution plans increased by 6.9%, after a rate of 11.5% the previous year. In comparison, defined benefit plans grew by 13.1% in 1979, an increase from the previous year's 5.7% growth rate.

The slide in defined contribution plan growth was halted temporarily in 1981 when defined contribu-

*Continued on page 52*




## Employers switch as rules change

**By Joel Chernoff**

When the compensation manager for an 8,000-employee Silicon Valley electronics firm left a conference on possible tax law changes affecting employee benefits, he was stunned.

The official knew Congress was contemplating cutting back on 401(k) salary reduction plans, but he had not realized how extensive changes affecting defined benefit plans were, including sweeping revisions of non-discrimination rules and distribution rules.

(The non-discrimination proposals, for example, could cost companies a hefty sum in making benefits equal for different corporate units, although the administration has promised to develop safe harbors.)

Based on what he heard, the manager said he would discuss outright elimination of his company's defined benefit plans.

This is not the first time employers have looked toward defined contribution plans as the salvation for providing retirement income for their employees.

After the Employee Retirement Income Security Act was enacted in 1974, many employers fled their defined benefit plans. Other tax law changes in the past four years and those now being considered might spur more such actions, some experts said.

For larger companies, changes in the economy, the younger nature of the work force and government regulations have played powerful roles in pushing employers toward defined contribution plans, although defined benefit plans are still predominant.

For smaller firms, however, the administrative burden of maintaining defined benefit plans has become too costly, experts said. In response, the companies are adopting defined contribution plans as their sole retirement vehicle.

For all companies, defined contribution plans are far easier to understand and offer more predictable cost control.

Also, in the event of financial difficulty, a company's potential liability to the Pension Benefit Guaranty Corp. might scare away yet more employers from starting

*Continued on page 51*

# More plans . . .

*Continued from page 37*

tion plans grew 11.9%, the highest growth rate during the 10-year period ended Dec. 31, 1984. During 1981, defined benefit plans grew by 10.7%.

However, the growth of defined contribution plans and defined benefit plans has continued to fall since then, with growth rates of 10.2% and 11.7% in 1982; 6.1% and 6.7% in 1983; and 3.2% and 1.5% in 1984, respectively.

Harry Gross, partner of the defined contribution division at Kwasha Lipton, Fort Lee, N.J., said the decline in the growth rate might be deceptive.

"If we define the growth of defined contribution plans to include the expansion and enhancement of defined contribution plans, then the growth rate has nowhere near stabilized," said Mr. Gross.

One reason for the decline in the growth rate may be the confusion caused by the threat of changes in federal legislation governing the defined contribution plans.

The Reagan administration's tax-reform proposal could have a serious impact on 401(k) plans, the most popular variety of defined contribution plans.

Gary A. Pines, an actuary with Towers, Perrin, Forster & Crosby, Chicago, said it is impossible to plan an income accumulation replacement program with possible legislative changes hanging over one's head.

"So, you tend to wait. If you wait, you tend to never put (the plan) in," said Mr. Pines.

If the appeal of the 401(k) plans was diminished, there would be an even greater decline in the growth of defined contribution plans.

"The growth of the defined contribution plans in the last two years was spurred greatly by the 401(k) plans," said Mr. Gross.

"If the proposals were to have their way, they would greatly change defined contribution plans and would change them to make them very retirement oriented."

The declining growth rate may also be attributed to the fact that those companies that intended to start defined contribution plans already have done so.

"I have no doubt that there is only so far you can go," said Mr. Gross.

The three years from 1981 and 1983 was the main period for new plan growth, according to Mr. Gross. He believes the number of defined contribution plans is still growing among larger corporations.

For example, NCR Corp., which employs 62,000, added three defined contribution plans — a payroll-based stock option plan, profit-sharing plan and a 401(k) plan — while changing its existing defined benefit plan from final-pay to career-average (*Pensions & Investment Age*, Jan. 7).

"We did not feel that the final-pay pension plan was really understood by employees and valued by them," said James E. McElwain, vice president-personnel resources of the Dayton, Ohio, company. The current system is appreciated more by employees and is more flexible for the company, he said.

The change in the defined benefit plan allowed NCR to add the other plans while keeping its costs roughly the same, Mr. McElwain said. The new combination allows employees to receive benefits equal to or slightly greater than they would have received under the final-pay defined benefit plan, he said.

The 401(k) plan is the only one in which participation is optional, but about 70% of eligible employees participate, Mr. McElwain said. Their average contribution is 4.3% of pay. Both figures are close to NCR's projections, he said.

Overall, the change in the mix of retirement plans appears to be working out well, he said. "We're initially very, very pleased with it," he said. "It was well-received by employees."

Mr. Pines agreed the larger corporations are adding defined contribution plans, but defined benefit plans are still dominant.

"In the larger plan, larger corporation area, most of them have defined benefit plans," said Mr. Pines.

"Those that have gotten out of the defined benefit area have done it for financial reasons."

Both Pan American World Airways Inc., New York, and The LTV Corp., Dallas, froze their defined benefit plans and established defined contribution plans to keep unfunded liabilities from growing and eventually save on pension expense (*P&I Age*, Sept. 16).

The attractions of the defined contribution plans vary slightly depending on which plan is implemented. General attractions include increased employee interest in the company, ease of communication with the employees and the fixed cost.

Although the cost of defined contribution plans is fixed, whether the overall cost is less than the cost of a defined benefit plan varies.

With a defined benefit plan, "the employer bears the investment risk," said Mr. Pines. "If the employer can earn enough money from gains on investment returns, the costs can be low."

Mr. Pines added the premium charged by the Pension Benefit Guaranty Corp., Washington, which insures a portion of the benefits guaranteed under a defined benefit plan, could make a defined benefit plan more costly.

Reliable Stores Inc., Columbia, Md., switched to a leveraged employee stock ownership plan after terminating its defined benefit plan and recapturing $9.6 million.

"It can't help but be a cost-saving measure," said Lawrence M. Rivitz, director of human resources at Reliable Stores. "It will certainly affect the rate at which you borrow."

Mr. Rivitz said the plan helps to motivate the company's employees. "We have used it, and will continue to use it, as a tool to focus people's attention in the business," he said.

The move also benefits the employees because the new plan covers 1,500 employees, whereas the old defined benefit plan covered only 1,200.

The switch to an employee stock ownership plan aided American Sterilizer Co., Erie, Pa., when it took itself private through a leveraged buy-out.

"The excess assets in the (terminated) defined benefit plan could be used to help buy down the debt," said Robert Becker, director of corporate employee benefits.

"In the buy-out, we felt it was better for the employees to be an intregal part of the company."

Kwasha Lipton's Mr. Gross said once the regulatory confusion over defined contribution plans has been eliminated, another surge in the rate of growth for these plans should occur, although it probably will not reach the heights of early '80s.

"The defined contribution area is most definitely still growing," he said. ■

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## Real Estate Open-end funds

### 1-year returns

| | % |
|---|---|
| Aetna Life & Cas., Conn. | 9.3 |
| Bank of America, Calif. | 2.7 |
| Bank One Trust, Columbus | 14.3 |
| Bankers Life, Iowa | 9.9 |
| Canada Life Assurance | 15.5 |
| Chase Manhattan, N.Y. | 14.9 |
| CIGNA Corp., Conn. | 13.7 |
| Citicorp, N.Y. | 17.6 |
| **Consumer Price Index** | 3.8 |
| Crocker National, Calif. | 8.1 |
| Equitable Life, N.Y. | 12.5 |
| First of Boston | 12.2 |
| First of Chicago | 10.8 |
| First of Minneapolis | 12.5 |
| Goldman, Sachs | 14.4 |
| Interfirst Bank, Dallas | 12.3 |
| John Hancock, Mass. | 7.7 |
| Lloyds Bank, Calif. | 8.5 |
| Massachusetts Mutual | 10.8 |
| Metropolitan Life, N.Y. | 19.0 |
| Metropolitan Life (Tower Fund) | 10.6 |
| Morgan Guaranty, N.Y. | 16.7 |
| Mutual Benefit Life, N.J. | 21.0 |
| NCNB National Bank, N.C. | 17.0 |
| New England Mutual, Mass. | 19.1 |
| New York Life, N.Y. (3) | 9.2 |
| Phoenix Mutual, Conn. | 18.7 |
| Prudential (Morisa), N.J. | 21.7 |
| Prudential (Primor), N.J. | 18.8 |
| Prudential (PRISA), N.J. | 10.9 |
| Republic Natl., Dallas | 12.0 |
| Seafirst Bank, Wash. | 10.3 |
| Sun Bank, Fla. | 11.4 |
| Third Natl., Nashville | 8.2 |
| Travelers, Conn. | 7.7 |
| United Virginia Bank | 11.1 |
| Wachovia Bank, N.C. | 13.2 |
| Wells Fargo Rlty. Adv., Calif. | 10.3 |

### 3-year returns

| | % |
|---|---|
| Aetna Life & Cas., Conn. | 11.3 |
| Bank of America, Calif. | 8.4 |
| Bank One Trust, Columbus | 11.2 |
| Bankers Life, Iowa | 11.3 |
| Canada Life Assurance | 12.9 |
| Chase Manhattan, N.Y. | 13.4 |
| CIGNA Corp., Conn. | 15.0 |
| Citicorp, N.Y. | 10.7 |
| **Consumer Price Index** | 3.4 |
| Crocker National, Calif. | 9.7 |
| Equitable Life, N.Y. | 13.3 |
| First of Boston | 13.1 |
| First of Chicago | 12.5 |
| First of Minneapolis | 14.9 |
| Interfirst Bank, Dallas | 13.3 |
| John Hancock, Mass. | 10.2 |
| Massachusetts Mutual | 10.7 |
| Metropolitan Life, N.Y. | 16.7 |
| Metropolitan Life (Tower Fund) | 15.1 |
| Morgan Guaranty, N.Y. | 17.9 |
| Mutual Benefit Life, N.J. | 17.2 |
| NCNB Natl. Bank, N.C. | 17.7 |
| New England Mutual, Mass. | 23.1 |
| New York Life Insurance (3) | 5.5 |
| Phoenix Mutual, Conn. | 16.5 |
| Prudential (Morisa), N.J. | 17.3 |
| Prudential (Primor), N.J. | 16.6 |
| Prudential (PRISA), N.J. | 10.5 |
| Republic Natl., Dallas | 11.0 |
| Seafirst Bank, Wash. | 9.8 |
| Sun Bank, Fla. | 11.6 |
| Third Natl., Nashville | 9.3 |
| Travelers, Conn. | 8.6 |
| United Virginia Bank | 11.9 |
| Wachovia Bank, N.C. | 10.6 |
| Wells Fargo Rlty. Adv., Calif. | 9.2 |

### 5-year returns

| | % |
|---|---|
| Aetna Life & Cas., Conn. | 13.3 |
| Bank of America, Calif. | 10.8 |
| Bank One Trust, Columbus | 14.6 |
| **Consumer Price Index** | 5.3 |
| Crocker National, Calif. | 10.8 |
| Equitable Life, N.Y. | 13.9 |
| First of Boston | 13.4 |
| First of Chicago | 13.7 |
| Interfirst Bank, Dallas | 13.3 |
| John Hancock, Mass. | 11.5 |
| Metropolitan Life, N.Y. | 16.2 |
| Morgan Guaranty, N.Y. | 17.6 |
| NCNB Natl. Bank, N.C. | 16.4 |
| Prudential (PRISA), N.J. | 12.2 |
| Travelers, Conn. | 11.3 |
| Wachovia Bank, N.C. | 14.0 |
| Wells Fargo Rlty. Adv., Calif. | 12.1 |

### 10-year returns

| | % |
|---|---|
| **Consumer Price Index** | 7.2 |
| Equitable Life, N.Y. | 12.9 |
| First of Chicago | 11.9 |
| Metropolitan Life, N.Y. | 13.1 |
| Morgan Guaranty, N.Y. | 18.3 |
| Prudential (PRISA), N.J. | 14.7 |
| Wachovia Bank, N.C. | 14.6 |
| Wells Fargo Rlty. Adv., Calif. | 12.6 |


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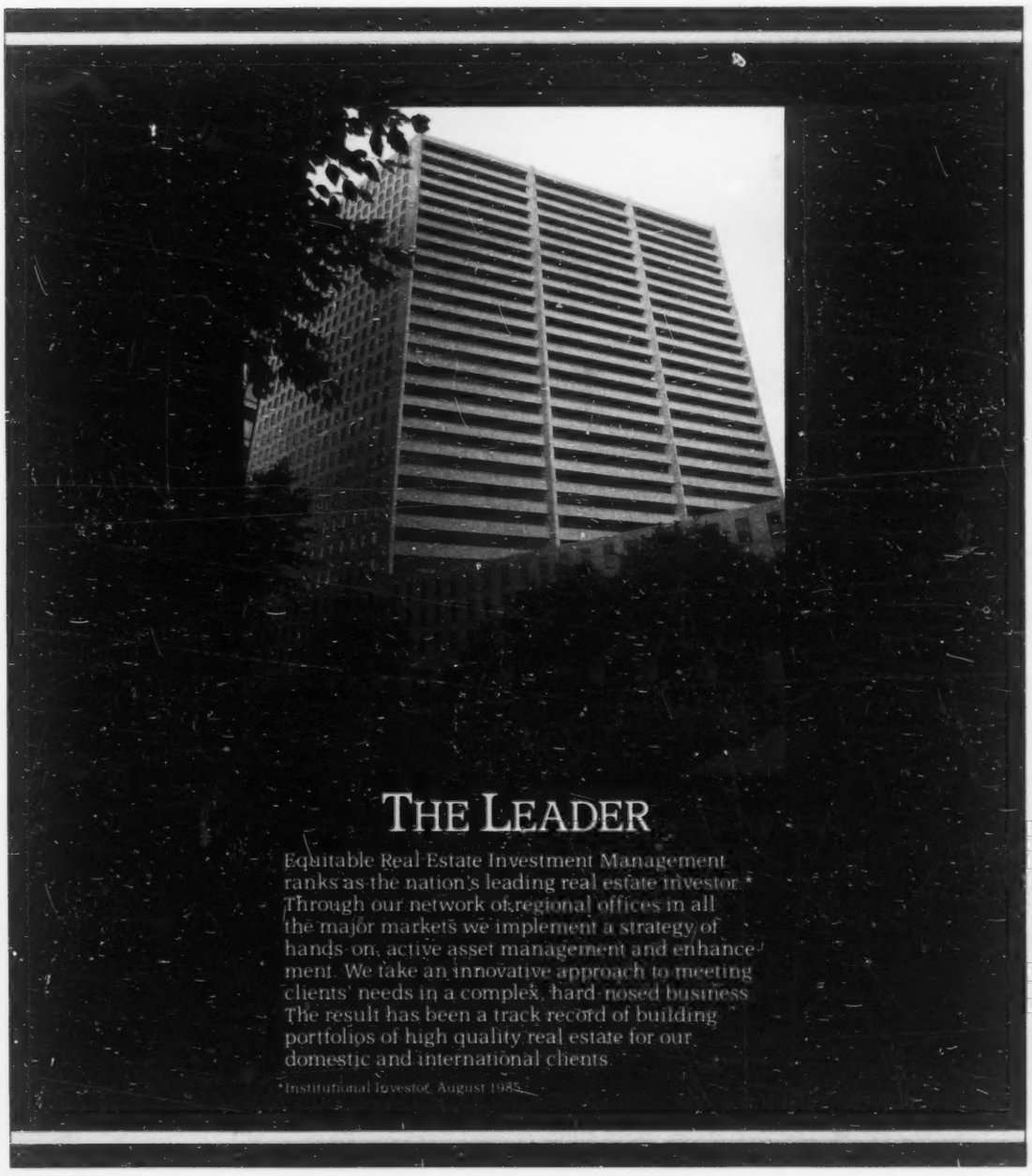

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*Institutional Investor, August 1985

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## Wrap-up

### REITs file for ipos

Some 33 planned real estate investment trusts have filed registrations so far this year for initial public offerings with the Securities and Exchange Commission, according to the National Association of Real Estate Investment Trust Inc.

Officials for 12 of the new REITs said they plan to offer a series of REITs in the coming years. The association said 1970 was a record year for the formation of REITs when 42 were formed.

### Conference draws 50

More than 50 pension fund officers had planned to attend the Utah State Retirement Board's fourth annual conference on pension fund real estate investment, according to Clemens J. Laufenberg, conference manager. The conference, which focuses on current real estate investment issues, runs Nov. 11 to 13 in San Francisco.

### Industrial yields high

Industrial properties are generally offering some of the highest initial yields for institutional-quality existing properties available on an all-cash basis and leased at current market rents, according to the "Property Report" issued by Richard Ellis Inc., Chicago.

The initial yields for industrial properties are between 8.5% and 9.5%. The initial yields for office properties are between 7.75% and 8.75%, and the yields for retail properties are between 7.5% and 8.25%, the report said.

## Boston Co. establishes new division

BOSTON — The Boston Co. has launched a structured investment products division that provides pension and endowment funds with stock and bond index funds, active core equity management, dedicated or immunized bond products and asset allocation strategies.

The SIP division began in July, according to Richard A. Crowell, division manager. It now oversees assets of roughly $500 million for 20 pension fund customers, he added.

Pension clients with accounts being managed by the SIP division include: AGRI Industries, Des Moines, Iowa; Agway Inc., Syracuse, N.Y.; Emery Air Freight Corp., Wilton, Conn.; PPG Industries Inc., Pittsburgh; and Raytheon Co., Lexington, Mass.

"We expect more interest in bond index products," said Mr. Crowell.

The reasoning behind that interest is the same that investors apply to the use of equity index products, he said. "For example, significantly more than half of all bond managers are unable to beat the Shearson Lehman" Government/Corporate bond index.

"Further, the high reliability and low cost of these vehicles and strategies has made them an ideal complement to active management," he said.

A commingled equity index fund is available to pension funds in the SIP division also. It is a Wilshire 5000 index fund, managed by the Boston Co., he said. That fund totals roughly $200 million in pension fund assets.

A second Wilshire 5000 equity vehicle will be introduced at year end for foundations, said Mr. Crowell.

The Boston Co. manages about $4 billion in employee benefit assets. ■

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# San Bernardino . . .

*Continued from page 59*

Yankee declined to state how the price varies on the building in relation to income, but said, "The higher the leases are, the higher the income stream, and the more we are going to have to pay for the building."

While the building has relatively small floor space, Christopher J.B. Ellis, a vice president with Richard Ellis Inc., said the smaller floors (2,700 square feet each) can be an advantage.

A major new building might have 20,000 square feet to 25,000 square feet per floor, Mr. Ellis noted.

However, unless the tenant is a major company, it might not want all that space, and therefore would share a floor with another tenant.

But, said Mr. Ellis, some smaller businesses want to lease an entire floor so they have "their own identity" in the building and can personalize the lobby of the floor they lease.

Regardless of floor plans or sizes, the office vacancy rate has been increasing in downtown San Francisco, to 11.8% at the end of June.

As of the same date, the Coldwell Banker national office vacancy index for major domestic downtown areas was reporting 16.1%.

The vacancy rate for suburban San Francisco was 18.2%, closer to the national suburban vacancy rate of 19.7%.

Mr. Ellis said there had been concern that many major companies would be moving out of downtown San Francisco to the newer buildings of suburban East Bay areas.

However, he said, a couple of major companies decided not to leave the downtown area, improving the office vacancy outlook.

At the same time, the San Francisco city supervisors have approved a downtown plan that will mean reduced floor space to land ratios — the arithmetic relationship of total square footage of the building to total square footage of the land on which the building is built — which could mean less available office space in the future. ■

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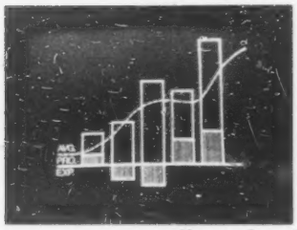

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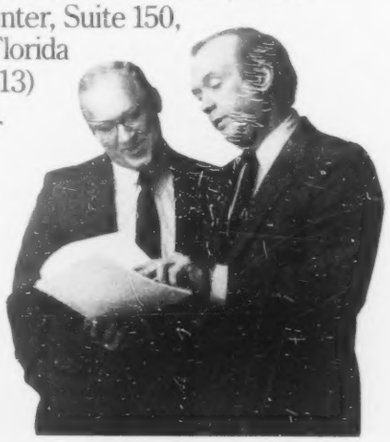

C&S

## Real Estate Closed-end funds

### 1-year returns

| | % |
|---|---|
| Coldwell Banker (II) | 14.1 |
| Coldwell Banker (III) | 8.9 |
| Coldwell Banker (IV) | 9.7 |
| Coldwell Banker (V) | 21.7 |
| Coldwell Banker (VI) | 9.1 |
| Coldwell Banker (VII) | 11.9 |
| **Consumer Price Index** | **3.8** |
| JMB Institutional (I) | 17.8 |
| JMB Institutional (II) | 16.9 |
| John Hancock (SERA 1) | 23.8 |
| LaSalle Advisors | 18.8 |
| Metropolitan Life (I) | 9.8 |
| RREEF (Mid-America I) | 8.4 |
| RREEF (Mid-America II) | 11.8 |
| RREEF (Fund I) | 7.0 |
| RREEF (Fund II | 11.9 |
| RREEF (Fund III) | 10.9 |
| RREEF (Fund IV) | 9.0 |
| RREEF (USA I) | 10.7 |
| RREEF (USA II) | 7.8 |
| Sarofim Trust Co. (SIRF P-I) | 24.5 |
| State Street Bank (I) | 21.0 |
| State Street Bank (II) | 11.0 |

### 3-year returns

| | % |
|---|---|
| Coldwell Banker (Ii) | 15.4 |
| Coldwell Banker (III) | 10.4 |
| Coldwell Banker (IV) | 11.9 |
| Coldwell Banker (V) | 15.7 |
| Coldwell Banker (VI) | 10.9 |
| **Consumer Price Index** | **3.4** |
| JMB Institutional (I) | 18.6 |
| LaSalle Advisors | 17.7 |
| RREEF (Mid-America I) | 9.9 |
| RREEF (Mid-America II) | 14.4 |
| RREEF (Fund I) | 10.9 |
| RREEF (Fund II) | 12.5 |
| RREEF (Fund III) | 12.8 |
| RREEF (Fund iV) | 9.0 |
| RREEF (USA I) | 12.2 |
| RREEF (USA II) | 13.1 |

### 5-year returns

| | % |
|---|---|
| Coldwell Banker (II) | 21.0 |
| Coldwell Banker (III) | 12.0 |
| Coldwell Banker (IV) | 14.8 |
| **Consumer Price Index** | **5.3** |
| RREEF (Fund I) | 14.7 |
| RREEF (Fund II) | 14.2 |

### 10-year returns

| | % |
|---|---|
| Coldwell Banker (II) | 21.0 |
| **Consumer Price Index** | **7.2** |